

Original/Revised: Original

Port of Milwaukee
Foreign-Trade Zone No. 41
Zone Schedule No. 2

TITLE PAGE

PORT OF MILWAUKEE FTZ NO. 41

SCHEDULE[^] NO. 2

CHARGES, RATES, RULES AND REGULATIONS

APPLICABLE AT

FOREIGN-TRADE ZONE NO. 41

MILWAUKEE, WISCONSIN

OPERATING UNDER GRANT OF AUTHORITY

OF THE UNITED STATES FOREIGN-TRADE ZONE BOARD

TO



**ISSUED
DATE**

11/01/2012

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Port of Milwaukee
Foreign-Trade Zone No. 41 Grantee
2323 S. Lincoln Memorial Drive
Milwaukee, WI 53207

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**FOREIGN-TRADE ZONE NO. 41
ZONE SCHEDULE NO. 2**

ADMINISTRATION PAGE

GRANTEE

THE PORT OF MILWAUKEE

BOARD MEMBERS

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CHECK SHEET FOR ZONE SCHEDULE CHANGES

This Zone Schedule is issued in loose-leaf form, and available at the Port of Milwaukee's FTZ website: <http://city.milwaukee.gov/ImageLibrary/User/portbn/PDF/FTZTARIFFNO2.pdf> and all changes will be highlighted in red. The correction explanation and its correlating page is listed below.

Correction Explanation	Page No.
Change in fee structure	37-39
Minor Boundary Modification application fees were changed from per location to per application.	40
Magnet Sites (meaning applications for industrial sites) were increased from \$3,500 to \$7,000	40
Sunset Renewal fees were increased from \$0 to \$3,500	40
Traditional subzone applications (Grant of Authority) were increased from \$3,500 to \$7,000 to encourage ASF applications	40
Addition of General Purpose Zone contact information	42
The Port of Milwaukee, as Grantee of FTZ 41, acts as the Administrator of the Zone, and does not operate a zone. Therefore, all references to rules and regulations of a grantee operating as a general purpose warehouse operator have been removed.	

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METRIC CONVERSION TABLE

The following table is published for convenience and as a guide for measurement conversion when necessary.

<u>To Find</u>	<u>Given</u>	<u>Multiply</u>
Metric Tons	Short Tons	Short Tons by 0.907
Short Tons	Metric Tons	Metric Tons by 1.102
Metric Tons	Long Tons	Long Tons by 1.016
Long Tons	Metric Tons	Metric Tons by 0.984
Kilos	Pounds	Pounds by 0.4536
Pounds	Kilos	Kilos by 2.2046
Cubic Meters	Measurement Tons (40 cubic feet)	Measurement Tons by 1.333
Measurement Tons (40 cubic feet)	Cubic Meter	Cubic Meters by 0.883
Cubic Meters	MBdFt	MBdFt by 2.36
MBdFt	Cubic Meters	Cubic Meters by 0.424

Metric Equivalents

1 Kilo	2.2046 Pounds
1 Metric Ton	1,000 Kilos
1 Pound	0.4536 Kilos
1 CWT (US - 100 Pounds)	45.359 Kilos or 0.04536 Metric Tons
1 CWT (British - 112 Pounds)	50.802 Kilos or 0.0508 Metric Tons
1 Bushel Grain (US)	60 Pounds
1 Cubic Meter	35.315 Cubic Feet
1 Cubic Foot	0.0283 Cubic Meters
1,000 MBdFt	83.33 Cubic Feet
1 Cubic Meter	423.792 MBdFt
1 Barrel (US - 42 Gallons)	158.987 Liters

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ABBREVIATIONS AND SYMBOLS

\$	Dollars (US)	K.D.	Knocked Down
%	Percent	Lbs.	Pounds
Art.	Article	LCL	Less-than Carload
B.M.	Board Measure	No.	Number
Bbl.	Barrel	N.O.S.	Not Otherwise Specified
Bdle.	Bundle	NSPF	Not Specifically Provided For
CFR	Code of Federal Regulations	Par.	Paragraph
C/L	Carload	Pc.	Piece
Cl.	Coil	Pkg.	Package
COD	Cash on Delivery	Qt.	Quart
Crt.	Crate	Sec.	Section
Cs.	Case	Sq. Ft.	Square Feet of Square Foot
Ctn.	Carton	SU	Set Up
Cu. Ft.	Cubic Feet or Cubic Foot	T/L	Truckload
Cwt.	100 Pounds	U.S.	United States
Doz.	Dozen	Yd.	Yard
Ea.	Each		
E.g.	For Example		
Etc.	Et Cetera		
F.F.	Folded Flat		
FTZ	Foreign-Trade Zone		
Gal.	Gallon		
HTSUSA	Harmonized Tariff Schedule of the United States Annotated		
Incl.	Inclusive		

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PLAN OF ZONE SCHEDULE

<u>Section Number</u>	<u>Subject</u>
I	Table of Contents
II	Definition and Privileges of Foreign-Trade Zones
III	Definition of Terms
IV	Application of Rates, Rules and Regulations
V	Operation of Zone
VI	General Rules and Regulations
VII	Special Rules Pertaining to Merchandise
VIII	Miscellaneous Services
IX	Leased Space
X	Handling Charges

SYMBOLS USED TO INDICATE CHANGE IN ZONE SCHEDULE

A	Addition
R	Reduction
I	Increase
^	Change in wording, which results in neither increase nor reduction in charges

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SECTION 1

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ITEM NO.

10 *Definitions & Privileges of Foreign-Trade Zones*

Under Section 400, Paragraph 101, FTZ Regulations governing the establishment, operations, maintenance, and administration of foreign-trade zones in the United States, the term “zone” means a “foreign-trade zone”. A foreign-trade zone is a designated site licensed by the Foreign-Trade Zones (FTZ) Board at which special customs procedures may be used. These procedures allow domestic activity involving foreign items to take place prior to formal customs entry. Duty-free treatment is accorded items that are re-exported and duty payment is deferred on items sold in the U.S. market, thus offsetting customs advantages available to overseas producers who compete with producers located in the United States. Subzones are special-purpose zones, usually at manufacturing plants. A site which has been granted zone status may not be used for zone activity until the site has been separately approved for FTZ activation by local U.S. Customs and Border Protection (CBP) officials, and the zone activity remains under the supervision of CBP. FTZ sites and facilities remain within the jurisdiction of local, state or federal governments or agencies.

The FTZ Act authorizes the handling of merchandise brought into a zone as described below:

“Foreign and domestic merchandise of every description, except such as is prohibited by law, may, without being subject to the customs laws of the United States, except as otherwise provided in this chapter, be brought into a zone and may be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided in this chapter, and be exported, destroyed, or sent into customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise is so sent from a zone into customs territory of the United States it shall be subject to the laws and regulations of the United States affecting imported merchandise:

“Provided, That whenever the privilege shall be requested and there has been no manipulation or manufacture effecting a change in tariff classification, the appropriate customs officer shall take under supervision any lot or part of a lot of foreign merchandise in a zone, cause it to be appraised and taxes determined and duties liquidated thereon.

Merchandise so taken under supervision may be stored, manipulated, or manufactured under

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the supervision and regulations prescribed by the Secretary of the Treasury, and whether mixed or manufactured with domestic merchandise or not may, under regulations prescribed by the Secretary of the Treasury, be exported or destroyed, or may be sent into customs territory upon the payment of such liquidated duties and determined taxes thereon. If merchandise so taken under supervision has been manipulated or manufactured, such duties and taxes shall be payable on the quantity of such foreign merchandise used in the manipulation or manufacture of the entered article. Allowance shall be made for recoverable and irrecoverable waste; and if recoverable waste is sent into customs territory, it shall be dutiable and taxable in its condition and quantity and at its weight at the time of entry. Where two or more products result from the manipulation or manufacture of merchandise in a zone the liquidated duties and determined taxes shall be distributed to the several products in accordance with their relative value at the time of separation with due allowance for waste as provided for above:

“Provided further, That subject to such regulations respecting identity and the safeguarding of the revenue as the Secretary of the Treasury may deem necessary, articles, the growth, product, or manufacture of the United States, on which all internal-revenue taxes have been paid, if subject thereto, and articles previously imported on which duty and/or tax has been paid, or which have been admitted free of duty and tax, may be taken into a zone from the customs territory of the United States, placed under the supervision of the appropriate customs officer, and whether or not they have been combined with or made part, while in such zone, of other articles, may be brought back thereto free of quotas, duty, or tax:

“Provided further, That if in the opinion of the Secretary of the Treasury their identity has been lost, such articles not entitled to free entry by reason of noncompliance with the requirements made hereunder by the Secretary of the Treasury shall be treated when they reenter customs territory of the United States as foreign merchandise under the provisions of the tariff and internal-revenue laws in force at that time:

“Provided further, That under the rules and regulations of the controlling Federal agencies, articles which have been taken into a zone from customs territory for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage shall be considered to be exported for the purpose of –

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“(1) the draw-back, warehousing, and bonding, or any other provisions of the Tariff Act of 1930, as amended, and the regulations thereunder; and

“(2) the statutes and bonds exacted for the payment of draw-back, refund, or exemption from liability for internal-revenue taxes and for the purposes of the internal-revenue laws generally and the regulations thereunder. Such a transfer may also be considered an exportation for the purposes of other Federal laws insofar as Federal agencies charged with the enforcement of those laws deem it advisable. Such articles may not be returned to customs territory for domestic consumption except where the Foreign-Trade Zones Board deems such return to be in the public interest, in which event the articles shall be subject to the provisions of paragraph 1615(f) of section 1201 of this title:

“Provided further, That no operation involving any foreign or domestic merchandise brought into a zone which operation would be subject to any provision or provisions of section 1807, chapter 15, chapter 16, chapter 17, chapter 21, chapter 23, chapter 24, chapter 25, chapter 26, or chapter 32 of the Internal Revenue Code if performed in customs territory, or involving the manufacture of any article provided for in paragraphs 367 or 368 of section 1001 of this title, shall be permitted in a zone except those operations (other than rectification of distilled spirits and wines, or the manufacture or production of alcoholic products unfit for beverage purposes) which were permissible under this chapter prior to July 1, 1949:

“Provided further, That articles produced or manufactured in a zone and exported therefrom shall on subsequent importation into the customs territory of the United States be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the second proviso of this section may, on such importation, be entered as American goods returned:

“Provided, further, That no merchandise that consists of goods subject to NAFTA drawback, as defined in section 3333(a) of this title, that is manufactured or otherwise changed in condition shall be exported to a NAFTA country, as defined in section 3301(4) of this title, without an assessment of a duty on the merchandise in its condition and

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quantity, and at its weight, at the time of its exportation (or if the privilege in the first proviso to this subsection was requested, an assessment of a duty on the merchandise in its condition and quantity, and at its weight, at the time of its admission into the zone) and the payment of the assessed duty before the 61st day after the date of exportation of the article, except that upon the presentation, before such 61st day, of satisfactory evidence of the amount of any customs duties paid or owed to the NAFTA country on the article, the customs duty may be waived or reduced (subject to section 508(b)(2)(B) of the Tariff Act of 1930 (19 U.S.C. 1508(b)(2)(B))) in an amount that does not exceed the lesser of (1) the total amount of customs duties paid or owed on the merchandise on importation into the United States, or (2) the total amount of customs duties paid on the article to the NAFTA country:

“Provided, further, that, if Canada ceases to be a NAFTA country and the suspension of the operation of the United States-Canada Free-Trade Agreement thereafter terminates, with the exception of drawback eligible goods under section 204(a) of the United States-Canada Free-Trade Agreement Implementation Act of 1988, no article manufactured or otherwise changed in condition (except a change by cleaning, testing or repacking) shall be exported to Canada during the period such Agreement is in operation without the payment of a duty that shall be payable on the article in its condition and quantity, and at its weight, at the time of its exportation to Canada unless the privilege in the first proviso to this subsection was requested.

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DEFINITION OF TERMS

ITEM No.

15 *Definitions of Terms*

Act - The Foreign-Trade Zones Act of June 18, 1934 (48 Stat. 998-1003; 19 USC. 81a-81u), as amended by Public Law 566, 81st Congress, approved June 17, 1950 and all lawful amendments.

Activation – Approval by the grantee and the U.S. Customs and Border Protection Port Director permitting operations to begin which allow the admission and handling of merchandise in zone status.

Admission To Zone - The physical arrival of goods into a zone in a specified zone status with the appropriate approvals of the zone grantee and the U.S. Customs and Border Protection. The term “admission” is used instead of “entry” to avoid confusion with Customs entry processes under Parts 141-144 of the Customs Regulations.

Alteration – A change in the boundaries of an activated zone or subzone; activation of a separate site of an already-activated zone or subzone with the same operator at the same port; or the relocation of an already-activated site with the same operator.

Alternative Site Framework (“ASF”) - An optional approach to designation and management of zone sites allowing greater flexibility and responsiveness to serve single-operator/user locations. The ASF was adopted by the Board as a matter of practice in December 2008 (74 FR 1170, January 12, 2009; correction 74 FR 3987, January 22, 2009) and modified by the Board in November 2010 (75 FR 71069, November 22, 2010). **A**

Audit-Inspection Procedures – Procedures that are designed to meet the requirements of the U.S. Customs and Border Protection Regulations (T.D. 86-16) for Audit-Inspection Procedures in Foreign-Trade Zones. Under the Regulations, the Operator maintains the inventory records. U.S. Customs and Border Protection is relieved of the duty of actually keeping the records, but maintains assurance of the systems accuracy by selective examinations of merchandise, and spot checks and audits of zone facilities.

Board - The Foreign-Trade Zones Board (FTZB) was created by the Act to carry out provisions thereof. The Board consists of the Secretary of Commerce, who is the chairman

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and executive officer, and the Secretary of the Treasury, or their designated alternates. The Foreign-Trade Zones Board Staff is responsible for administering the FTZ program on behalf of the FTZB. The Executive Secretary of the FTZB Staff represents the Board in administrative, regulatory, operational, and public affairs matters. The Executive Secretary serves as the director of the staff which is situated in the U.S. Department of Commerce within the Import Administration.

Bulk - The term used in describing fungibles, which can be poured, scooped or shoveled and which generally cannot be counted or identified piece by piece.

CBP - U.S. Customs and Border Protection of the Department of Homeland Security **A**

Constructive Transfer - A legal fiction that permits acceptance of a Customs entry for merchandise in a [foreign-trade] zone before its physical transfer to the Customs territory. If the entry is thereafter rejected or cancelled, the merchandise will be considered at that time to be constructively transferred back into the zone in its previous zone status.

Customs Form 214 - Application and permit to admit merchandise into a Foreign-Trade Zone, permit to transfer merchandise through the Customs territory to Zone and Customs officer's return thereon, and Customs report of merchandise received at Zone.

Customs Form 216 - Application and permit for the manipulation, manufacture, exhibition or destruction of merchandise within a Foreign-Trade Zone and Customs officer's return.

Customs Territory - The territory of the U.S. in which the general tariff laws of the U.S. apply. "Customs territory of the United States" includes only the States, the District of Columbia, and Puerto Rico.

Domestic Status Merchandise (D) - Merchandise that has been (i) grown, produced or manufactured in the U.S. and not exported therefrom, (ii) previously entered into the commerce of the United States as duty and tax free, or (iii) previously imported into Customs territory and properly released from Customs custody. This means imported merchandise on which all necessary duties and taxes, if applicable, have been paid, and upon which no drawback has been claimed, is considered domestic merchandise when admitted to a foreign-

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trade zone. No application or permit is required for the manipulation, manufacture, exhibition, destruction, or transfer to Customs territory of domestic status merchandise (including packing and repair materials) except when it is mixed or combined with merchandise in another zone status or upon order of the Commissioner of Customs. All domestic status merchandise in a zone must be accounted for under the procedures of 19 CFR Part 146 Subpart B.

Exhibition - Upon application pursuant to section 19 CFR 146.52 and approval by the port director of Customs, the showing of merchandise in the zone is permitted. This application and approval may be submitted and obtained on a case by case basis or blanket basis.

Foreign Status Merchandise - Imported merchandise, which has not been released from Customs custody into the Customs territory of the United States. This means imported merchandise upon which duty and taxes, if applicable, have not been collected.

Foreign-Trade Zone Forms - Forms used in the transaction of Foreign-Trade Zone business are designated by the U.S. Customs & Border Protection. As such, these forms may be completed by the Zone User (person of record), its duly assigned Customs Broker, or the Zone Operator. The Foreign-Trade Zone forms utilized by FTZ No. 41 are as follows:

Customs Form 214 - Application for Foreign-Trade Zone Admission and/or Status Designation (electronic submission of the CBPF 214 data is referred to as an *e*-CBPF 214 or *e*-214)

Customs Form 216 - Application for Foreign-Trade Zone Activity Permit

Fungible Merchandise - Merchandise that for commercial purposes is identical and interchangeable in all situations. In an FTZ, fungible merchandise may be identified by an inventory method authorized by Customs, which is consistently applied, such as First-In-First-Out (FIFO) and using a unique identifier.

General-Purpose Zone – A multi-use Foreign Trade Zone site designed for use by multiple users engaged in multiple activities that may include storage, distribution, testing, repackaging and repair. Manufacturing may take place in a general-purpose zone with prior permission by

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the Foreign-Trade Zones Board.

Grantee - A Grantee is a public or private corporation to which the privilege of establishing, operating, or maintaining a foreign-trade zone has been given. The privileges of establishing, operating, and maintaining Foreign-Trade Zone No. 41 have been granted to the Port of Milwaukee.

Imports - Foreign merchandise of every description (except articles specifically and absolutely prohibited by statute) entered into the Customs territory to become a part of the domestic supply for the purpose of domestic commerce or consumption, and particularly that which is entered into the Customs territory through the zone. A distinction is made between such imports into the commerce of the United States and foreign merchandise which, under the laws and regulations of various other Federal agencies having jurisdiction within the zones, is said to be "imported" into foreign-trade zones, Customs bonded warehouses, or Customs custody. This latter merchandise, in relation to operations of the zones, is considered to be foreign merchandise until its entry into the Commerce of the United States.

In-bond - A Customs program that provides for transporting cargo (other than explosives and merchandise, the importation of which is prohibited) via bonded carrier from one port to another under a Customs bond.

Imported merchandise, including that imported in mail shipments, being transported to and from foreign-trade zones through the Customs territory must be transported in bond under the provisions of 19 CFR Parts 18, 112, and 125. (19 CFR 146.11 and 144.37(g)). Domestic goods transported to a zone or goods removed from a zone comprised wholly of domestic status products need not be transported in bond.

In-Transit Merchandise - The term "in-transit merchandise" includes all foreign merchandise transported into and out of the United States, whether in and out of the same port or across the country to another port, with or without transshipment, warehousing, breaking bulk, or change in mode of transportation, which originated in one foreign country and is destined at the time of the original shipment to another foreign country.

Its distinctive feature is that it is being transported from one foreign country through the United

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States to another foreign country under a through bill of lading or other documentation for a completed journey. The term is particularly applied to foreign merchandise shipped in-transit through a foreign-trade zone.

Inventory Control System - A system of inventory control, manual or automated, based on records maintained by a Zone Operator or user rather than by the U.S. Customs & Border Protection. An operator shall maintain the inventory control and recordkeeping system of the zone in accordance with the provisions of 19 CFR Part 146. An operator shall maintain either manual or automated inventory control and recordkeeping systems or a combination of manual and automated systems.

Lease - The document of agreement entered into between the Landlord and User for assignment of space within Foreign-Trade Zone No. 41.

Manipulation - As defined in Section 562 of the Tariff Act, processing wherein merchandise is packed, unpacked, repacked, cleaned, sorted, graded or otherwise changed in condition. The precise distinction between manipulation and manufacturing is subject to interpretation and enjoys a long history of case law.

Manufacturing - As defined by the Foreign-Trade Zones Board Regulations, manufacturing means activity involving the substantial transformation of a foreign article resulting in a new and different article having a different name, character, and use. U.S. Customs & Border Protection determines what constitutes manufacturing on a case-by-case basis, distinguishing it from other operations such as manipulation, processing, production, and blending. The Foreign-Trade Zones Board definition is much broader and the agency requires that specific prior authorization be obtained for manufacturing operations in the activated zone.

Measurement Ton - Ton based on a measurement of 40 cubic feet.

Metric Ton - 1,000 kilograms or approximately 2204.62 pounds.

Non-Privileged Foreign Status Merchandise (NPF) – Foreign merchandise subject to tariff classification according to its character, condition and quantity as constructively transferred to Customs territory at the time the entry or entry summary is filed with U.S. Customs & Border

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Protection. In other words, a status of merchandise for tariff purposes that provides for classification and appraisement in accordance with the condition of merchandise when constructively transferred to the Customs territory of the United States. In a zone, NPF merchandise may be changed to Privileged Foreign (PF) before any processing has occurred, at the option of the zone user and with approval by Customs. Waste recovered from any manipulation or manufacture of PF or NPF merchandise in a zone has NPF status. NPF status is usually selected when the duty rate of the finished product is lower than the duty rate of the imported foreign components in a manufacturing environment. Domestic merchandise in a zone which by reason of noncompliance with the Customs Regulations has lost its identity as domestic status merchandise will be treated as non-privileged foreign merchandise.

Open or Yard Storage - The keeping of merchandise not requiring weather protection on open space within the fenced area of the Foreign-Trade Zone.

Operating Agreement – (*See User Agreement*)

Person Of Record - The person, firm or corporation in whose name the Application to Admit Merchandise into the zone (CBPF-214) is made, recognized by the Zone Grantee, Zone Operator and the U.S. Customs & Border Protection as having legal right to make the application. Evidence of this right of the applicant is the same as would be required to establish the right to apply for release of the merchandise from Customs custody at the end of its transit through the Customs territory. Such evidence usually consists of an original bill of lading in the name of the applicant, an original bill of lading endorsed to him or a carrier's certificate, or a copy of Power of Attorney when parties other than the owner are conducting business, such as a customs broker, company or corporate official, etc.

Port Director of Customs - The Port Director of U.S. Customs & Border Protection, Milwaukee, Wisconsin.

Privileged Foreign Merchandise (PF) - Foreign Merchandise subject to tariff classification according to its character, condition and quantity at the rate of duty and tax in force on the date of filing the CBPF 214. In other words, a status that, upon proper application and approval anytime preceding manufacture or manipulation within a zone, is granted to an imported input, allowing the zone user the privilege of treating the input, for tariff purposes, as remaining in its original

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condition at the time of admission to the zone. Once established, Privileged Foreign Status cannot be changed except in the case of recoverable waste (see 19 CFR § 146.42). If merchandise has already been admitted into the zone in Non-Privileged Foreign Status, Privileged Foreign Status may be obtained by filing a CBPF 214. Application for this status, however, must be filed prior to manipulation or manufacture.

Admitted merchandise subject to AD/CVD (antidumping or countervailing duties) must be placed in PF status. Merchandise in PF status or composed in part of PF status may not be entered for warehousing from a zone and cannot be placed on a TIB upon removal from the zone. Classification of merchandise subject to a tariff-rate import quota will be made only at the higher non-quota duty rate in effect on the date PF status was granted. Mandatory PF status may be imposed by the FTZ Board as a form to grant restriction to prevent the inverted tariff benefit.

Quantity - The numerical count of the units composing a shipment of a commodity except bulk commodities which must be measured by weight, size or gallonage.

Re-exports or Reshipments - Merchandise from one foreign country initially destined to the United States which, after being unladen, stored and/or manipulated or manufactured in this country, is transported under a new bill of lading or other new documentation to another foreign country. The term is particularly applied to re-exports or reshipments through a Foreign-Trade Zone.

It includes privileged, non-privileged, or zone restricted foreign merchandise which: (1) is in the same condition as when transported into the United States, or (2) has been manipulated without any change in its form or nature, or (3) has been manipulated or processed in such manner as to change its form, whether or not mixed with domestic merchandise, provided the domestic merchandise is not a component part or substantial ingredient thereof. Generally, it includes all merchandise of foreign origin, which has not been so manipulated or manufactured as to be deemed a product of the United States, and which has not been released from Customs custody into the Customs territory.

Resident Representative - The role of the Port Director of Customs as the on-site representative of the Foreign-Trade Zones Board in its dealings with any foreign-trade zone

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within the Port Director's scope of jurisdiction.

Secretary - The term "Secretary" refers to the Secretary of Commerce.

Storage - Keeping of merchandise in or upon the premises within the foreign-trade zone. Covered storage is within a covered and enclosed structure affording weather protection. The term "storage", without other designation, ordinarily implies covered storage.

Subzone - A special-purpose zone established as part of a zone project for a limited purpose that cannot be accommodated within an existing zone. The term "zone" also applies to a Subzone, unless specified otherwise.

Tenant - An individual, company or corporation utilizing the services and facilities of the Port of Milwaukee. ^

Ton - Weight ton of 2,000 pounds, unless otherwise indicated.

Transfer - To take merchandise with zone status from a zone for consumption, transportation, exportation, warehousing, cartage or lighterage, vessel supplies and equipment, admission to another zone, and like purposes.

Transshipment Merchandise - Foreign merchandise which enters and leaves the United States through the same port, being transferred from one vessel to another directly or by way of a foreign-trade zone or Customs bonded warehouse. The term is particularly applied to such merchandise transferred through a foreign-trade zone.

Unique Identifier Number (UIN) - The numbers, letters, or combination of numbers and letters that identify merchandise admitted to a zone with zone status.

Unit of Quantity - The customary groupings of a commodity as a unit to indicate the medium or method of measure. The unit of quantity in zone records will be consistent with those annotated in the Harmonized Tariff Schedule of the United States.

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United States - The several States, District of Columbia and Puerto Rico. The term "United States" includes all territories and possessions of the United States, except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the island of Guam.

Usage-Driven Site - A site tied to a single operator or user under the ASF.^A

User – a party using a zone under agreement with the Zone Grantee or Administrator.

User Agreement (Operating Agreement[^]) – An agreement executed between the Grantee/Operator, a subzone user, or user of general-purpose zone space that is not owned or leased by the Grantee/Operator, but rather a firm under contract to be the Grantee/Operator. Prior to activation of the site, the user agreement will be executed and will outline the amount of annual fees, which the subzone or general-purpose zone user will pay to the Grantee/Operator. Activation cannot occur without an executed agreement.

Warehouse - A covered and enclosed structure, affording weather protection, used primarily for short or long term storage of merchandise, and often containing business offices. In a foreign-trade zone it also is used for manipulation, manufacture, and exhibition of merchandise.

Weight - The gross weight of the merchandise including container, except as noted to the contrary.

Zone - The term "Zone" refers to a foreign-trade zone and/or Foreign-Trade Zone No. 41

Zone Administrator - The Administrator of Foreign-Trade Zone No. 41 as appointed by the Port of Milwaukee.

Zone Control Number or Admission Number – a unique and sequential number assigned for numbering shipments admitted to a zone under Section 146.32(a) of the Customs Regulations; a sequentially numbered system for each CBPF 214, which serves as the unique identifier for each admission of merchandise at the FTZ.

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Zone Lot – A collection of merchandise maintained under an inventory control method based on specific identification of merchandise admitted to the Zone by lot.

Zone Operator – An Operator is a corporation, partnership, or person that operates a zone under the terms of an agreement with the grantee. With permission from the Port of Milwaukee and the U.S. Customs & Border Protection, companies may act as their own Operator of their own facilities within FTZ No. 41.

Zone Schedule - To be kept by the zone grantee, the zone schedule includes the internal rules and regulations of the zone, as well as a statement of the rates and fees charged to zone users.

A

Zone Project – the Zone plan, including all of the Zone and Subzone sites that the Board authorizes a single Grantee to establish.

Zone-Restricted Merchandise (ZR) - Merchandise taken into a zone for the sole purpose of exportation, destruction (except destruction of distilled spirits, wines, and fermented malt liquors), or storage may be given zone-restricted status on proper application. ZR status can be requested at any time that the merchandise is located in the zone but cannot be abandoned once granted. Merchandise in zone-restricted status may not be removed to Customs territory for domestic consumption except where the FTZ Board determines the return to be in the public interest.

Merchandise may be considered exported, for Customs or other purposes (i.e., for drawback purposes or to close out a TIB), upon its admission to a zone in zone-restricted status. No-tax paid alcoholic beverages and tobacco products can be admitted to a zone only in ZR status. Merchandise entered into a bonded warehouse for storage and transferred to a zone (other than temporarily for manipulation and returned to Customs territory as provided for in § 146.33) will have ZR status when admitted into the zone. Merchandise that has been placed in a bonded warehouse for a purpose other than entry for warehouse (such as general order or under seizure) may be admitted to a zone in any eligible status.

Zone Site – the physical location of a usage-driven site^A or Subzone.

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Zone Status - The legal status of merchandise, which has been admitted to a foreign-trade zone, thereby becoming subject to the provisions of the FTZ Act. Four types of zone status are established under the FTZ Act, which determines how the merchandise will be handled in the zone and treated upon its transfer to the Customs territory. (*Privileged Foreign, Non-Privileged Foreign, Domestic and Zone Restricted Status Merchandise.*)

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APPLICATION OF RATES, RULES AND REGULATIONS

ITEM NO.	SUBJECT	DESCRIPTION
17	<i>Alternative Site Framework: Service Area</i>	On August 31, 2011, the Port of Milwaukee, as Grantee for Foreign Trade Zone 41, was approved for the expedited program known as ASF (Alternative Site Framework). The reorganization from the traditional FTZ framework to the ASF provides for businesses within the approved 12 county service area to receive an expedited Foreign Trade Zones Board approval. The counties included in the ASF service are; Dodge, Fond du Lac, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington, and Waukesha counties.
20	<i>Public Utility and Uniform Treatment</i>	In accordance with the FTZ Act, FTZ No. 41 operates as a public utility, and all rates and charges for all services or privileges shall be fair and reasonable. All who apply for the use of the zone will receive uniform treatment under like conditions.
25	<i>Administration of Zone Fees and Services</i>	All Zone services and facilities shall be administered fairly and reasonably as stated above in No. 20. The Grantee and general purpose zones offering FTZ services to the general public may impose cost recovery-based fees – directly related to FTZ services provided – that include reasonable return on investment.
30	<i>Foreign-Trade Zones Board General Regulations</i>	Foreign-Trade Zone No. 41 is regulated by the Foreign-Trade Zones Board, Washington, D. C., under U.S. Code of Federal Regulations, Title 15, Chapter IV, Part 400. Copies of these regulations are maintained at Foreign-Trade Zone No. 41 office for reference. All FTZ users shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 41.

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35	<i>Foreign-Trade Zones Act</i>	The authority and jurisdiction of the Board is derived from The Act as amended and codified at Chapter 1A, Title 19, United States Code (19 USC 81a - 81u). All FTZ users shall be knowledgeable about the Act and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 41.
40	<i>United States Customs & Border Protection Regulations</i>	Foreign-Trade Zone No. 41 is subject to special Customs Regulations as defined in U.S. Code of Federal Regulations, Title 19, Customs Duties, Chapter 1, U.S. Customs & Border Protection, Part 146 - Foreign-Trade Zones. Copies of these regulations are maintained at the office of Foreign-Trade Zone No. 41 for reference. All FTZ users shall be knowledgeable about the regulations and abide by the provisions therein as a condition of participation in the Foreign-Trade Zones program at Zone No. 41.
45	<i>Application and Interpretation of Zone Schedule</i>	<p>The Foreign-Trade Zone Administrator of FTZ No. 41 shall be the sole judge to interpret and determine the applicability of any of the rates, rules, regulations, or services provided in this Zone Tariff Schedule. However, any matter involving interpretation or action by U.S. Customs & Border Protection or other agency of the U.S. Government will be determined by the Port Director of Customs or his/her duly appointed representative.</p> <p>The Foreign-Trade Zone Administrator has the right to quote special rates.</p> <p>One (1) copy of this Zone Schedule will be provided to each user. Updates will be provided as revisions occur. The Grantee's Operator/User Agreement and this Zone Schedule represent the agreement between the Grantee, Operator, and/or User.</p>

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Acceptance of this Zone Schedule, with the following use of the zone, constitutes agreement to the terms and conditions as set forth in this Zone Schedule.

50	<i>Zone Schedule in Compliance with Foreign-Trade Zones Board</i>	Foreign-Trade Zone No. 41 Schedule [^] No. 2 is issued in compliance with Foreign-Trade Zones Board guidelines.
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ITEM NO.	SUBJECT	CODE	DESCRIPTION
55	<i>Merchandise Permitted in a Zone</i>		<p>Foreign and domestic merchandise of every description, except such as is specifically prohibited by law, may without being subject to the Customs laws of the United States, except as otherwise provided in the Act and the regulations made thereunder, may be brought into a Zone.</p> <p>(a) Merchandise that is specifically and absolutely prohibited by law shall not be admitted into a zone. Any merchandise so prohibited by law, which is found within a zone shall be disposed of in the manner provided for in laws and regulations applicable to such merchandise. A distinction is made between:</p> <p>(1) Merchandise that is specifically and absolutely prohibited by law on the grounds of policy and morals, such as immoral or subversive literature, obscene articles, or lottery matter, and</p> <p>(2) Merchandise that is subject to conditional prohibition only, for protection of economic or national security or which may be reconditioned to bring them into compliance with the laws administered by various Federal agencies.</p> <p>The Port Director of Customs is required to exclude the first class of articles and may not permit them to be transferred to a zone if he is aware of the prohibited status, except that the Port Director may permit the temporary deposit of any such merchandise in the zone pending final determination of its status.</p> <p>The transfer of articles of the second class to a zone is subject to any requirements of the Federal agency concerned. There is no prohibition against placing over-quota merchandise in a zone</p>

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			pending its right to transfer to the Customs territory pursuant to the applicable quota provisions.
			(b) The application for the admission of merchandise into a zone shall be approved or disapproved by the Port Director of Customs as the representative of the Board, where the merchandise is not excluded by any other Federal agency having jurisdiction over the merchandise.
60	<i>Disposition of Merchandise in a Zone</i>		In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the Act, be exported, destroyed or sent into Customs territory of the United States therefrom, in the original package or otherwise; but when foreign merchandise, and domestic merchandise whose identity has been lost, is so sent from a zone into Customs territory of the United States, it shall be subject to the laws and regulations of the United States affecting imported merchandise.

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ITEM NO.	SUBJECT	CODE	DESCRIPTION
65	<i>Manipulation, Manufacture and Exhibition of Merchandise</i>		<p>In general, merchandise lawfully brought into a zone may, in accordance with these and other regulations made under the provisions of the Act, be stored, sold, exhibited, broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign and domestic merchandise, or otherwise manipulated, or be manufactured except as otherwise provided by the Act.</p> <p>(a) Permission for any manipulation or exhibition in a zone shall be obtained from the Port Director of Customs, as the representative of the Board, subject to such application and procedure prescribed by the Secretary of the Treasury for the protection of the revenue.</p> <p>(b) In the event of the denial of any application by the Port Director of Customs for any reason, the applicant, the Grantee, or the Operator of the zone may appeal the adverse ruling to the Board. If any revenue protection considerations are involved in such an application, the Board shall be guided by the determinations of the Secretary of the Treasury with respect to them.</p>

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ITEM NO.	SUBJECT	CODE	DESCRIPTION
70	<i>Status of Merchandise in a Zone</i>	(a)	For the purpose of the Act and the regulations of this Section, all merchandise within a zone, except merchandise in transit through a zone as provided in Sections 146.14 and 146.13 of Customs Regulations, and except merchandise temporarily transferred to a zone for manipulation as provided in paragraph (b) of this Section, shall be given a Zone Status in accordance with Subpart C of Customs Regulations as: (1) PF - Privileged Foreign Merchandise (2) NPF - Non-Privileged Foreign Merchandise (3) D - Domestic Merchandise (4) ZR - Zone-Restricted Merchandise (b) Imported merchandise which has been entered and which has remained in continuous Customs custody may be temporarily transferred to a zone for manipulation under Customs supervision pursuant to Section 562, Tariff Act of 1930, as amended, and for return to the Customs territory. Any such merchandise shall not be considered within the purview of the Foreign-Trade Zones Act, but shall be treated in all respects as though remaining in the Customs territory. Therefore, no zone form or procedure shall be considered applicable, but the merchandise shall remain subject in the zone to such requirements as are necessary for the enforcement of Section 562 and other pertinent Customs laws.

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ITEM NO.	SUBJECT	CODE	DESCRIPTION
75	<i>Use of Zone by Carriers</i>		The docking facilities, and loading or unloading stations of a zone are intended primarily for the use of vehicles, for unloading merchandise from the zone, and their use for other purposes may be terminated by the Secretary of the Treasury if found to endanger the revenue, or by the Board if found to interfere with the primary uses of the zone.
80	<i>Subsequent Importation of Zone Merchandise</i>		Articles produced or manufactured in a zone and exported therefrom shall, on subsequent importation into the Customs territory of the United States, be subject to the import laws applicable to like articles manufactured in a foreign country, except that articles produced or manufactured in a zone exclusively with the use of domestic merchandise, the identity of which has been maintained in accordance with the Second Proviso of Section 3 of the Act, as amended, may, on such importation, be entered as American goods returned.
85	<i>Exclusion from Zone of Goods or Process of Treatment</i>		When it shall be reported to the Board that any goods or process of treatment is detrimental to the public interest, health, or safety, the Board shall cause such investigation to be made, as it may deem necessary. The Board may order the exclusion from the zone of any goods or process of treatment that in its judgment is detrimental to the public interest, health or safety.

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ITEM NO.	SUBJECT	CODE	DESCRIPTION
90	<i>Retail Trade within Zone</i>		See FTZ Regs §400.47 Retail trade. In general, retail trade is prohibited in activated areas of zones, except that 1) sales or other commercial activity involving domestic, duty-paid, and duty-free goods may be conducted within an activated area of a zone under a permit issued by the zone grantee and approved by the Board, and 2) no permits shall be necessary for sales involving domestic, duty paid or duty-free food and non-alcoholic beverage products sold within the zone or subzone for consumption on premises by individuals working therein. ^
95	<i>Residence within Zone</i>		No person shall be allowed to reside within a zone except Federal, State or municipal officers or agents whose resident presence is deemed necessary by the Board.

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ITEM NO.	SUBJECT	CODE	DESCRIPTION
100	<i>Payment of Customs Officers and Employees</i>		<p>Any cost of maintaining Customs & Border Protection in a zone shall be paid directly by the applicable Operator of such zone.</p> <p>In a zone, at a port where customary working hours are other than those herein mentioned, the Port Director of U.S. Customs & Border Protection is authorized to regulate the hours of Customs' officers and employees assigned to the zone so as to agree with prevailing working hours in said port. However, nothing herein shall be construed in any manner to affect or alter the length of a working day for Customs officers or employees.</p>
105	<i>Payment of Charges from other Government Agencies</i>		<p>Charges for services of Government agencies not included in this Schedule should be arranged for and paid for by the user who requires and uses such services.</p>
110	<i>Payment of Customs Penalties or Process</i>		<p>CBP penalties resulting from inventory discrepancies, operational infractions, or other occurrence for which user is responsible will be paid by the penalized user.</p>

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ITEM NO.	SUBJECT	CODE	DESCRIPTION
115	<i>Erection of Building within Zone</i>		Prior to commencing any significant new construction, alteration, additions or modifications to present facilities in the zone, which may impact areas activated by CBP, the overall zone security or the granted scope of authority, Operator shall notify the Grantee and CBP; FTZ Board approval may be required before commencing such construction activities in the zone.

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120	<i>FTZ 41 Administration Hours of Business and Service</i>		Regular or normal business hours shall be between the hours of 8:00 am and 4:45 pm, Monday through Friday, except on holidays.
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125	<i>Holidays</i>		The zone office is closed for regular business on the following holidays
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New Year's Day..... The 1st Day of January
Martin Luther King's Birthday..... The 3rd Monday of January
* Washington's/President's Day The 3rd Monday of February
+ Good Friday Friday preceding Easter Sunday
Memorial Day..... The Last Monday of May
Independence Day The 4th Day of July
Labor Day The 1st Monday of September
Thanksgiving Day The 4th Thursday of November
+ Day After Thanksgiving..... The 4th Friday of November
+ Christmas Eve The 24th Day of December
Christmas Day..... The 25th Day of December
+ New Year's Eve..... The 31st Day of December

* Observed by U.S. Customs & Border Protection personnel only.
+ Observed by FTZ #41 personnel only.

If a holiday falls on Saturday, the preceding Friday will be observed; and if a holiday falls on Sunday, the following Monday will be observed.

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130	<i>Inventory Methods</i>		Users of Foreign-Trade Zone No. 41 shall operate a computerized inventory method, capable of producing accurate and timely reports and documents as required by the Foreign-Trade Zone Regulations. Inventory methods approved by U.S. Customs & Border Protection are as follows: FIFO (First In First Out), Foreign First, Specific Identification. Other inventory methods will require special <u>prior</u> approval by U.S. Customs & Border Protection.
135	<i>Zone Regulations</i>		The following rules governing procedures within Foreign-Trade Zone No. 41 are issued in conformity with and supplementary to the Foreign-Trade Zones Board's Regulations and such of the United States Laws and Regulations relating to the Port of Entry as they are applicable to foreign-trade zone operations.
140	<i>General Regulations</i>		All persons and merchandise of every description entering or leaving FTZ No. 41 for any purpose whatsoever shall be bound by the regulations of the Foreign-Trade Zones Board and by the relevant regulations issued by U.S. Customs & Border Protection.
145	<i>Government Agencies</i>		All lawful regulations regarding government agencies in or about ports of entry must be complied with insofar as they are not in conflict with the FTZ Act and governmental regulations issued thereunder.
150	<i>Compensation Insurance</i>		Every person employed by contractors or customers in the zone shall be properly covered by Workmen's Compensation Insurance. Proof of this shall be furnished before any work may be started or

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a release of liability must be given to FTZ No. 41.

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ITEM NO.	SUBJECT	CODE	DESCRIPTION
155	<i>Business Insurance</i>		<p>All persons or firms conducting business on or in connection with the facilities of FTZ No. 41 shall keep in full force the necessary insurance as spelled out by the User/Operating Agreement.</p> <p>A copy of the policy or policies of insurance or certificate or certificates of insurance shall be delivered to the Grantee and said shall contain a clause that the insurer will not cancel or change the insurance without first giving the Grantee thirty (30) days prior written notice.</p>
160	<i>Public Interest, Health and Safety</i>		<p>No operation or process of treatment will be permitted in the zone that, in the judgment of the Grantee is detrimental to the public interest, health and safety.</p>
165	<i>Confidential Relationship Between Zone and Users</i>		<p>The Port of Milwaukee and its employees will take precaution to avoid the divulging of confidential information regarding merchandise and services thereon performed in the zone. Any zone employee violating this confidential relationship will be suitably disciplined or discharged.</p>
170	<i>Admittance to the Zone</i>		<p>Persons desiring admittance to the zone shall make application to the Zone Operator and follow the required CBP security rules and rules of the zone site. The pass issued must be worn and shown upon request. ^</p>

ISSUED DATE	ISSUED BY Port of Milwaukee Foreign-Trade Zone No. 41 Grantee 2323 S. Lincoln Memorial Drive Milwaukee, WI 53207	EFFECTIVE DATE
11/01/2012		11/01/2012

**FOREIGN-TRADE ZONE NO. 41
ZONE SCHEDULE NO. 2**

SECTION X

GENERAL RULES, REGULATIONS AND RATES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
220	<i>Charges, Rates, Rules, and Regulations Applicable at FTZ No. 41</i>		<p>The Grantee, Zone Operators, and all persons and entities doing business within a zone site or subzone established by the Grantee must comply with the provisions of the Foreign-Trade Zones Act, as amended; with the lawful and effective rules, regulations, and procedures of the Foreign-Trade Zones Board; with such of the laws and lawful regulations of the United States, the States, or the subdivisions and agencies thereof as may be applicable to operators, occupants, their employees and invitees, and users of subzones; and with such of the provisions of this Zone Schedule and subsequent issues and modifications thereof as may be applicable to the operations conducted in the subzone.</p> <p>All persons and entities who request the Grantee to apply for authority to establish a subzone must first enter into an agreement with the Grantee governing proposed subzone or user-driven site operations. This agreement will contain provisions including, but not limited to, those relating to costs incidental to the preparation of the application and any subsequent amendment or modification thereof; costs incidental to public hearings and legal proceedings; charges for providing required Customs services; and charges for Grantee's special services not provided in this Zone Schedule. An example of such services includes, but is not limited to, consultant services such as feasibility studies; cost/savings analysis; development of standard operating procedures; compliance reviews; assistance in preparation of necessary compliance reports; and development of inventory control/recordkeeping systems. The cost for these services will be provided in a written proposal. Applicants for the establishment of a subzone or user-driven site will bear application costs and charges of preparing and filing of an application by the Grantee whether or not the application is favorably acted upon by the Foreign-Trade Zones Board.</p>

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SECTION X

GENERAL RULES, REGULATIONS AND RATES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
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All persons and/or entities who request that the Grantee apply for authority to establish a subzone or user-driven site are responsible for obtaining any necessary zoning, permit or consent for such zone from the local authorities having jurisdiction in the area in which the proposed zone is to be located.

The Grantee will apply the rates and charges set forth in this Zone Schedule and applicable to the zone operation uniformly to all zone occupants or users under like circumstances. Where such rates and charges are not applicable to a zone operation, it is intended that the provisions of the agreement between the Grantee and the zone user will govern.

Contingencies not covered by this Zone Schedule or by separate agreements will be subject to agreements amending or supplementing the primary agreement. Amended or supplementary agreements, as well as practices that may develop and be permitted in zone operations will be also uniformly applied to subsequent applicants under identical circumstances for identical services.

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FOREIGN-TRADE ZONE NO. 41
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SECTION X

GENERAL RULES, REGULATIONS AND RATES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
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225 *Annual Zone Fee:
Activated Sites or
Activated Subzones*

The annual zone fee will become due upon execution of the Operations Agreement and each January 1 thereafter. The annual service charge may be prorated to December 31 from the date the Agreement is first executed. Upon sixty (60) days written notice from Grantee to Operator, the annual service charge may be modified.

The fee will be charged based on a calendar year, payable quarterly in advance, unless otherwise agreed upon: ^

1 to 300 employees..... \$4,000 **R**

301 or more employees \$6,600 ^

(Employee totals will be determined by the total number of employees for the entire company or corporation. International employees are included in the total) ^

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FOREIGN-TRADE ZONE NO. 41
ZONE SCHEDULE NO. 2

SECTION X

GENERAL RULES, REGULATIONS AND RATES

ITEM NO.	SUBJECT	CODE	DESCRIPTION																					
230	Application, Activation, and Audit Fees		FTZ No. 41 will operate under the Alternative Site Designation and Management Framework. The following rates represent the application and activation fees associated with Grantee’s services for support, documentation, and coordination efforts.																					
			<table><tr><th>Service</th><th>FTZ No. 41 fee</th><th></th></tr><tr><td>Usage-Driven Site: ASF Minor Boundary Modification (per new site application)</td><td>\$3,500*</td><td></td></tr><tr><td>Magnet Site: Expansion or Application</td><td>\$7,000*</td><td>I</td></tr><tr><td>"Sunset" Renewal</td><td>\$3,500*</td><td>I</td></tr><tr><td>Expansion of Current ASF Zone Site</td><td>\$----*</td><td>A</td></tr><tr><td>Subzone (manufacturing authority)</td><td>\$7,000*</td><td>I</td></tr><tr><td>Activation with CBP</td><td>\$-----</td><td></td></tr></table>	Service	FTZ No. 41 fee		Usage-Driven Site: ASF Minor Boundary Modification (per new site application)	\$3,500*		Magnet Site: Expansion or Application	\$7,000*	I	"Sunset" Renewal	\$3,500*	I	Expansion of Current ASF Zone Site	\$----*	A	Subzone (manufacturing authority)	\$7,000*	I	Activation with CBP	\$-----	
Service	FTZ No. 41 fee																							
Usage-Driven Site: ASF Minor Boundary Modification (per new site application)	\$3,500*																							
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Expansion of Current ASF Zone Site	\$----*	A																						
Subzone (manufacturing authority)	\$7,000*	I																						
Activation with CBP	\$-----																							
			<p>Fees above do not cover the actual preparation of applications. Services for the preparation of applications will be contracted directly between the zone applicant/user and its service provider.</p> <p>*If submitted applications require excessive administrative time by Grantee for application submittal to the FTZB, the Grantee may assess a rate of \$300 per hour to cover possible consulting fees and staff time. (Applicant would be notified before any potential fees would be assessed.)</p>																					
235	Annual Zone Fee:		The following annual fees will be charged to the site																					

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ZONE SCHEDULE NO. 2**

SECTION X

GENERAL RULES, REGULATIONS AND RATES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
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*Non-Activated Sites or
Non-Activated
Subzones*

owners/developers of non-activated sites or subzones to cover Grantee expenses for oversight of the zone project and preparation of site information for the Annual Report to the Board. The fee will become due by January 31 each year beginning January 2012. This annual fee will be the responsibility of the property owner, or the developer acting on behalf of the property owner and will be due until all parcels retaining FTZ designation within the FTZ site are activated. For occupied zone parcels, the non-activated zone users will be responsible for the fee.

As property with FTZ designation is sold or title is conveyed to another entity, the property owner/developer must notify Grantee in writing of the sale, and the purchaser must notify Grantee in writing of its interest in retaining the FTZ designation. Non-activated zone users may surrender zone designation with written notification to Grantee. If the purchaser desires to retain the designation, they will become responsible for the annual fee. If no notification is provided to Grantee, the property owner/developer will remain responsible for the fee required from the purchaser, in addition to the fee required from the property owner/developer for its other property in the FTZ site until such time as proper notification is provided to the Grantee.

Property owners/developers should include provision in contracts or covenants with purchasers to address the responsibility of the fee and requirement for notifying the Grantee. Purchasers and non-activated zone users must either agree to the Annual Zone Fee for Non-Activated property until the property is activated with U.S. Customs & Border Protection or surrender the FTZ designation on the property.

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SECTION X

GENERAL RULES, REGULATIONS AND RATES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
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Private, Pubic or Grantee Sector Land – FTZ Designation
approved – but not Activated

Annual Fee: Non-Activated\$2,500

Fees will be billed starting one year after FTZ Board approval. ^

Private Sector Land, Public Sector Land, or Grantee Land -
Upon Activation, the Annual Zone Fee in Item 225 applies:

Once a new owner/zone user activates its portion of the site with
U.S. Customs & Border Protection, the annual zone fees in Item
225 will apply; the Zone Operator or User is responsible for the
Annual Zone Fee in Item 225.

245 A	General Purpose Zone	A General Purpose Zone is a public warehouse that has Foreign Trade Zone designation can be used by more than one business to utilize Foreign Trade Zone benefits for warehousing/distribution and some processing/assembly. Activated GPZ: Bentley World Packaging 4080 N Port Washington Rd Milwaukee, WI 53212 Attn: Kurt Prange Phone: 414-967-5022 k.prange@bentleywp.com
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SECTION X

GENERAL RULES, REGULATIONS AND RATES

ITEM NO.	SUBJECT	CODE	DESCRIPTION
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250	<i>Handling Charges</i>		As General Purpose FTZ sites are activated, each Operator will provide the Grantee a schedule of Foreign Trade Zone related handling charges, which will be included in this Zone Schedule. A complete copy of the Zone Schedule shall be freely available for public inspection at the offices of the zone grantee and any operator offering FTZ services to the user community. The FTZ Board shall make copies of zone schedules available on its website. Delayed compliance date for the requirements of this section is February 28, 2014.
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